

Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 27 January 2016.

PRESENT

Mr. S. J. Galton CC (in the Chair)

Mrs. R. Camamile CC  
Mrs. J. A. Dickinson CC  
Dr. R. K. A. Feltham CC  
Dr. S. Hill CC  
Mr. D. Jennings CC

Mr. K. W. P. Lynch CC  
Mrs. C. M. Radford CC  
Mr. R. Sharp CC  
Mr. R. J. Shepherd CC  
Mr. L. Spence CC

In Attendance:

Mr. N. J. Rushton CC, Leader of the Council (For Minutes 56, 57, 58 and 59)  
Mr. J. B. Rhodes CC, Deputy Leader of the Council and Lead Member for Finance and Resources (For Minutes 56 and 57)

Mr. R. Blunt CC, Cabinet Lead Member for County Council Planning (For Minute 58)  
Mrs. P. Posnett, Cabinet Lead Member for Rural Communities and Equalities (For Minute 58)

49. Minutes.

The minutes of the meetings held on 4 and 9 November 2015 were taken as read, confirmed and signed.

50. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

51. Questions asked by Members.

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

52. Urgent Items.

There were no urgent items for consideration.

53. Declarations of Interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

Mr. L. Spence CC declared a personal interest in respect of Item 10 as he was soon to become a trustee of Thringstone Community Centre (Minute 58 refers).

The following members of district/borough councils each declared a personal interest in respect of all items on the agenda:

Mr. S. J. Galton CC  
 Mr. D. Jennings CC  
 Dr. S. Hill CC  
 Mr. K. W. P. Lynch CC  
 Mrs. C. M. Radford CC  
 Mr. R. Sharp CC  
 Mr. R. J. Shepherd CC

54. Declarations of the Party Whip.

There were no declarations of the party whip.

55. Presentation of Petitions under Standing Order 36.

The Chief Executive reported that no petitions had been received under Standing Order 36.

56. Medium Term Financial Strategy 2016/17 to 2019/20 - Context Setting and Overall Position.

The Committee considered an oral report of the Director of Corporate Resources concerning the context and overall position with respect to the Council's Medium Term Financial Strategy (MTFS) 2016/17 to 2019/20.

The Chairman welcomed to the meeting the Leader of the Council, Mr. N. J. Rushton CC and the Deputy Leader and Cabinet Lead Member for Finance and Resources, Mr. J. B. Rhodes CC.

The Director reported the following matters:

- As referenced in the MTFS report to the Cabinet (paragraph 39), the Council's Revenue Support Grant (RSG) would be reduced to zero by 2019/20. This had been anticipated, though it had not been expected that it would come as sharply as had proven to be the case. It was noted that the Government's new methodology for calculating RSG took no account for the low funding position which Leicestershire was known to have;
- Implementation of the Living Wage was expected to cost the Authority in the region of £20 million, particularly as a result of the expected rise in payments to commissioned care services which would be required to increase their costs to cover this additional expenditure;
- There were a number of risks and challenges around funding for Adult's and Children's Social Care (CSC) which were expected to rise significantly partly as a result of people living longer. Growth for CSC was set at £8 million in the next year of the MTFS. The success of the MTFS was heavily reliant on achievement of

savings and containing demand for services;

- The Social Care Levy (a precept of 2% for each year of the Spending Review specifically for spending on adult social care) made this MTFS achievable. It was suggested that without it, the Council would have been placed in an even more invidious position.

The Cabinet Lead Member for Resources and Finance reported the following matters:

- The £19.3 million budget shortfall by the end of the MTFS was of significant concern, though some savings had yet to be identified which would have some impact on this figure going forward. Though further efficiencies could doubtless be made, it was emphasised that services reductions had already begun to hit the public and this would worsen over the next four years;
- The Funding Settlement for the Council was the second worst for a county council. It was noted that were it to receive a similar settlement to Sussex it would have an extra £100 million with which to protect services. It was the Lead Member's view that a decision had been made at DCLG to protect inner-London borough authorities at the expense of county and district authorities;
- The Leader had made well publicised representations to MPs, who were thought now to be in agreement that the funding formula was wrong and unfairly disadvantaged Leicestershire. The Authority was aiming to form a group with other similarly poorly funded authorities as a means for further lobbying of the Government.

Arising from questions from members, the following points were noted:

- It was a legal requirement for billing authorities to include specific information on council tax bill as to where precepts were allocated and this would be the case for the Social Care Levy. The possibility of including further detail about this Levy in the associated materials would be considered;
- Though the increase in spending power (3.4% over 4 years) as a result of the Social Care Levy was welcome, demand for social care costs was expected to increase hugely and this was expected to lead to rising costs of over £50 million in this area over the next 4 years which would not be covered entirely by the Levy;
- The Government's announcement that local authorities could retain business rates was not expected to have a wholly positive impact on the Council's funding position. This was attributed in part due to the fact that business rates would reduce after RSG reduced to zero in 2019/20;
- It was acknowledged that the public could become confused by the message the Council was delivering on fairer funding at a time when the Government was suggesting that Leicestershire's funding had increased. It was important that the public were reminded of the fact that Leicestershire was a traditionally lower council tax authority and that this meant it had a low council tax income when compared to others.

## RESOLVED:

- (a) That the information provided be noted;
- (b) That the comments of the Commission be forwarded to the Cabinet for consideration at its meeting on 5 February 2016.

57. Medium Term Financial Strategy 2016/17 to 2019/20 - Corporate Resources and Corporate Items.

The Commission considered a report of the Director of Corporate Resources concerning the proposed Medium Term Financial Strategy 2016/17 to 2019/20 as it related to the Corporate Resources Department. A copy of the report, marked "Agenda Item 9", is filed with these minutes.

### Introduction

The Director advised that the overall savings requirement for his Department amounted to a net reduction of £7.5 million. He also made the following points:

- The Department will have made a saving of 50% between 2010 and the end of this MTFS. In 2010, 74% of the Department's income came from grant funding or council tax. Next year this was down to just 42%;
- The achievement of the MTFS would greatly depend on income from externally traded services. A new trading unit was being established to improve the Council's commercial approach;
- £2.1 million of the savings requirement would come from reductions in staffing and vacancy control. It would not be possible to avoid compulsory redundancies. The total number of redundancies was as yet unknown;
- £865k of growth would largely be directed towards new ways of delivering support services and investment in technology to enable the Council to become "digital", providing more of its services online. There was also significant investment being made in new desktop architecture for staff which would enable more flexible and efficient ways of working which it would be crucial that staff embraced in order to achieve savings.

Arising from the discussion, the following points were noted:

- 58% of the Department's budget was based around traded income and this would increase to over 70% by the end of the MTFS assuming targets had been met. It was felt that the Council had a good "brand" in the marketplace on which to build from, though it was noted that all other local authorities would be joining Leicestershire in this marketplace and therefore competition for business would be high;
- In respect of collaboration, Leicestershire was taking a lead on information and data sharing with the districts. The East Midlands Shared Service had experienced initial difficulties but was now harnessing the savings that had been expected of it. It was felt that the Service was now at a successful point at which other partners would want to join which would make the achievement of further savings possible.

## RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments made be forwarded to the Cabinet for consideration at its meeting on 5 February 2016.

58. Medium Term Financial Strategy 2016/17 to 2019/20 - Chief Executive's Department.

The Commission considered a report of the Chief Executive and Director of Corporate Resources concerning the proposed Medium Term Financial Strategy (MTFS) 2016/17–2019/20 as relating to the Chief Executive’s Department. A copy of the report, marked “Agenda Item 10”, is filed with these minutes.

The Chairman welcomed to the meeting the Mr. R. Blunt CC, Cabinet Lead Member for Planning, Historic and Natural Environment and Mrs. P. Posnett CC, Cabinet Lead Member for Rural Communities and Equality and Diversity. It was noted that the Cabinet Lead Members for Economic Development and Regulatory Services had been unable to attend due to other County Council commitments.

In response to questions, members were advised as follows:

**Savings**CE8 - Review Planning, Historic and Natural Environmental Services; £35,000 in 2016/17 rising to £100,000 by 2018/19

Planning fees were set by Government, so there was little scope to increase these. Currently, income from environmental data sales and monitoring fees from developer contributions duties made around £150k per annum but there was a risk, due to legal issues, that this may be significantly reduced in the future.

CE9 - Registration opening hours and "tell us once" service; £60,000 in 2017/18

It was proposed as part of this saving to cease a “face-to-face” service for those registering births and deaths. This would be replaced by a telephone service. It was hoped that future savings could be identified through increased income rather than service closures. There were some concerns around the “tell us once” saving.

CE15 - Stop providing funding for economic development activity to external agencies; £50,000 in 2017/18 rising to £300,000 in 2018/19

A majority of this saving related to the Council’s contract for the provision of tourism services, which was currently held by LeicesterShire Promotions Limited. These arrangements were currently being reviewed and proposals for future provision would be submitted to the Cabinet and Overview and Scrutiny for consideration in the coming months.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments made at this meeting be forwarded to the Cabinet for consideration at its meeting on 5 February 2016

59. Medium Term Financial Strategy 2016/17 to 2019/20 - Consideration of Responses from Overview and Scrutiny Committees.

The Commission considered a supplementary report setting out the responses to their respective areas of the Medium Term Financial Strategy (MTFS) of the Adults and Communities, Children and Families, Environment and Transport and Health Overview and Scrutiny Committees. A copy of the supplementary report is filed with these minutes.

In response to questions from members, the Leader confirmed the following:

ET11 - Public Bus Services – revised policy on subsidised transport: £2,000,000 from 2018/19 (Page 17 of the report refers)

All public bus services would be reviewed including the arrangements for Park and Ride services between the County and the City.

Item ET12 - County wide parking strategy including residents' parking permits and consideration of charging for on-street parking: £600,000 from 2018/19 (Page 17 of the report refers)

The impact of changes to on-street parking arrangements could have a detrimental impact on local businesses, but it was suggested that any measures could have a positive effect and free up spaces for those visiting shops and local businesses. By charging for on-street parking, businesses might be forced into providing alternate provision for staff thus freeing up spaces for shoppers.

RESOLVED:

- (a) That the supplementary report be noted;
- (b) That the comments made at this meeting be forwarded to the Cabinet for consideration at its meeting on 5 February 2016.

60. Date of next meeting.

It was NOTED that the next meeting of the Commission would be held on 24 February at 2.00pm.

10.30 am - 12.30 pm  
27 January 2016

CHAIRMAN